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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340

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DIVISION OF
OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. GENERAL INFORMATION

1. Report Time Period: From (mo./yr.) 1/89 To (mo./yr.) 12/89
2. DOGM File Number (original notice): S /039 /001
3. Mine Name: AUMCO CLAIM #1
4. Mineral(s) Mined: Numerous Metalliferous Minerals in a Volcanic Tuft
5. Name of Operator or Company: Peak Minerals, Inc.
6. Permanent Address: 101 North Tejon, Suite 200
Colorado Springs, CO 80903

7. Company Representative (or designated operator):

Name: Clyde Borrell
Title: Vice President
Address: 101 North Tejon, Suite 200 Colorado Springs CO
Phone: (719) 635-8000 80903

☐ Please check if any of the above information has changed since previous year.

II. MINING AND RECLAMATION

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? 480 Tons

3. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, volume of material moved, and the acreage affected.

All mining was conducted in an area already disturbed by mining prior to Peak Minerals' involvement. Activities included ripping and loading 480 tons of material. Approximately 2 acres were disturbed; again this area was mined prior to Peak Minerals' involvement.

4. Briefly describe the reclamation work performed during the past year. This description should include acreage reclaimed, methods employed, and an evaluation of the results.

NONE

5. What was the total unreclaimed acreage at years end? Approx. 2 acres

6. Briefly summarize mining and reclamation planned for the upcoming year. Peak Minerals plans on mining 2,000 tons during 1990. Material will be removed in the same area as 1989's mining. No reclamation is planned.

NOTE: Section III., "Additional Information" applies only to large mining operations.

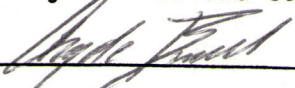
III. ADDITIONAL INFORMATION

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. SIGNATURE REQUIREMENT

I hereby certify that the foregoing is true and correct.

Signature of Operator:



Name (Typed or Print):

Clyde Borrell

Title of Operator:

Vice President

Date:

January 12, 1990

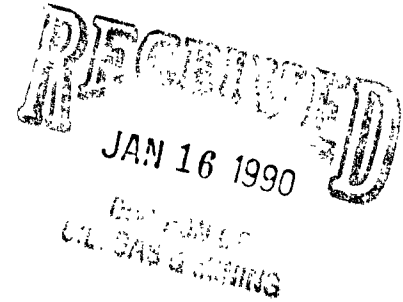
5/039/001



PEAK MINERALS, INC.

101 North Tejon • Suite 200 • Colorado Springs, CO 80903
Office: 719/635-8000 • FAX 719/635-8938

January 11, 1990



Mr. Lowell P. Braxton
Associate Director, Mining
State of Utah
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Lowell,

Enclosed please find a completed Annual Report for the Year 1989 related to our Azomite Mine (AUMCO Claim #1) near Nephi, Utah.

As you will see, we mined 480 tons of material during 1989. 220 tons were mined in April, and 260 tons were mined in November. In both cases the material was mined in an area that was disturbed prior to Peak Minerals involvement in the property. A total of 2 acres was disturbed including the access road and load-out area. Again all this area was disturbed prior to our involvement. In both cases Wayne Hedberg was informed of our activities.

If you have any questions please feel free to write or call.

Sincerely,

Clyde Borrell
Vice President